[E/]ECE/TRADE/C/CEFACT/2014/3

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United Nations ECE/TRADE/C/CEFACT/2014/3

Economic and Social Council

Distr.: General
13 March 2014

English only

Economic Commission for Europe

Executive Committee

Centre for Trade Facilitation and Electronic Business

Twentieth session
Geneva, 10-11 April 2014
Item 2 of the provisional agenda
Matters arising since the nineteenth session

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Note by the Secretariat

Summary

The secretariat will report on matters arising since the nineteenth session.

This document is for noting.

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I. UNECE Executive Committee

Review of recent tensions within UN/CEFACT

1. At the request of Member States, the Executive Committee (EXCOM) reviewed in its 65th session recent tensions within UN/CEFACT and requested the secretariat to prepare a note and the UN/CEFACT Chair to prepare a report on the matter. At the 66th session of EXCOM, the UN/CEFACT Chair reported that UN/CEFACT had been going through an organizational transition for two years, with a project-oriented streamlining of its structure and centralization of decision-making to the Bureau. He foresaw that efforts were on track for the upcoming UN/CEFACT Forum and Plenary and noted that projects critical for UN/CEFACT's stakeholders were being approved by the Bureau. With regard to the UN/CEFACT code of conduct, he reported that there had been no violations to date.

2. He also provided an update to the EXCOM on some key developments in the European Parliament which supported the revised World Trade Organization (WTO) Government Procurement Agreement and a European Union (EU) Directive on Public Procurement which relies on technology-neutral standards.

3. It was proposed that, in order to enhance credibility in the governance of UN/CEFACT and to support the timely achievement of its priority deliverables, EXCOM should consider establishing a sub-group to work with UN/CEFACT's Chair to ensure that the Bureau receives the guidance required to implement UN/CEFACT's work in line with the needs of member States and other stakeholders.

4. The secretariat informed the EXCOM of the need to ensure that the policy direction and governance of UN/CEFACT be determined by governments, in line with earlier EXCOM decisions, and pointed out that having Bureau Vice Chairs from governments, with private sector experts advising the Bureau, would bring UN/CEFACT into line other UNECE intergovernmental bodies.

5. The EXCOM during its 67th session decided to establish an EXCOM contact group to UN/CEFACT, in line with Commission Decision A (65) and EXCOM's oversight role, to provide liaison with the UN/CEFACT Bureau/Chair when useful. EXCOM also requested the secretariat to circulate the nomination list for the coming election of Vice Chair's to the UN/CEFACT Bureau soon after the deadline for submission fixed for nominations(17 March 2014). The nominations will contain the CV and the motivation latter of the candidates in order to allow heads of delegations to make an informed decision.

II. World Trade Organization Trade Facilitation Agreement

6. The WTO reached an Agreement on Trade Facilitation at the 9th WTO Ministerial Conference in Bali, Indonesia, in December 2013. UNECE is of the view that this Agreement is very positive for its work in Trade Facilitation (TF) as it provides a legal framework for implementing specific Trade Facilitation measures and, importantly, greatly enhances the political will for Trade Facilitation implementation.

7. The UN Regional Commissions (UNRCs) can play an important role in helping member States to implement this Agreement. UNECE released a Press Statement immediately following the Agreement on its willingness to provide such support (see http://www.unece.org/index.php?id=34265). High-level meetings also have taken place between the UNECE Executive Secretary and the WTO Director General, Mr Roberto

Azevêdo, and the Chair of the WTO Trade Facilitation Agreement Preparatory Committee, H.E. Mr. Esteban B. Conejos, Ambassador of the Philippines.

8. An important feature of the new WTO Trade Facilitation Agreement, from a UNECE perspective, is the explicit addition of the UN Regional Commissions to the list of support organizations specified in the Agreement. This reference can be found in article 10.5, which states that, "*The Committee shall invite relevant international and regional organizations (such as the IMF, OECD, UNCTAD, WCO, UN Regional Commissions, the World Bank, or their subsidiary bodies, and regional development banks)*". Up until the signing of the WTO Bali Agreement, UNECE had worked informally with the so called "Annex D" group of organizations (which included UNCTAD, the World Customs Organization, the World Bank, OECD, etc. but did not include the UNRCs) to support the WTO in the preparations for the trade facilitation negotiations.

9. UNECE and the other UN Regional Commissions have many tools to offer WTO member States in this regard, including:

- The Trade Facilitation Recommendations and Standards developed by UN/CEFACT;
- The UNECE *Trade Facilitation Implementation Guide* (TFIG) - http://www.unece.org/trade/tfig - the latest version of which includes a direct linkage between the specific measures in the WTO Trade Facilitation Agreement and the implementation instruments that international organizations can offer - http://tfig.unece.org/pdf_files/wto-map/map.html. Further details on TFIG are presented below in Section III;
- The Network of Experts for Paperless Trade (UNNExT), jointly developed between the UN Economic and Social Commission for Asia and the Pacific (ESCAP) and UNECE, which provides a unique platform where policymakers from Europe, Central Asia and Asia-Pacific exchange expertise and gain competence in planning and applying trade facilitation measures.

10. UNECE currently hosts the Joint UN Regional Commission Approach to Trade Facilitation, which was launched by the Executive Secretaries of the five UN Regional Commissions in 2010[1]. The Approach was designed to enable the five UNRCs to present a joint (global) view on key Trade Facilitation issues – particularly from the regional and interregional perspective, and especially in relation to capacity building needs and approaches. This is particularly important in the context of the new WTO Trade Facilitation Agreement mentioned above and will be a key element of the UNRC's approach to supporting the Agreement. The Joint UNRC Approach will also work to enhance the participation of developing and transition economies in global supply chains.

[1] The Joint UNRC approach to Trade Facilitation (JUNRC_TF) operates under the Joint UNRC Consultative mechanism, chaired by the UNRC Executive Secretaries. The JUNRC_TF has a rotating Chair amongst all UNRCs (UNECE is the Chair since August 2011). It includes all UNRCs, each with a designated focal point and alternate. UNECE provides the secretariat.

III. Capacity-building and technical assistance

A. Impact of reduced secretariat resources

11. With the exception of the support services provided by the Regional Advisor on Trade Facilitation (presented in Section III D below), the 2013 decision of the Economic Commission for Europe as part of the Outcome of the review of the 2005 UNECE reform (E/ECE/1464 Annex III, paragraph 31) to reallocate resources (two P4s and one P2) from the secretariat's capacity building and technical assistance work related to UN/CEFACT, combined with the approval by EXCOM in 2013 of the Extra Budgetary project to support the implementation of the Greek Trade Facilitation Strategy and Roadmap (see Section III C below), has had and will continue to have a major impact on secretariat capacities in this area. Specifically, the reduction in secretariat resources has resulted in:

- The complete cessation of UNECE seminars and workshops on trade facilitation in areas such as document alignment, data harmonization, business process analysis, single window implementation, and trade facilitation analysis and planning;
- Cancellation of current and future participation in United Nations Development Account projects to support transition and developing countries in trade facilitation;
- Cancellation of participation in the joint UNECE/UNESCAP programme to develop the United Nations Network of Experts in Trade Facilitation (UNNExT) – including the preparation of trade-facilitation user guides and support material;
- Elimination of support for the participation of transition economies in the work of UN/CEFACT;
- Significantly reduced support for maintenance and further development of the Trade *Facilitation Implementation Guide*.
- Significantly reduced capacity of UNECE to participate in the above mentioned Joint UNRC Approach to Trade Facilitation
- Severely limited capacity of UNECE to support the new WTO Trade Facilitation Agreement.

12. The above reductions in secretariat resources in Capacity Building and Technical Assistance were implemented gradually throughout 2013 and are now fully in place. Their main impact is being felt from 2014 onwards. Member States may wish to re-evaluate their priorities in the above areas, particularly in the context of the new WTO Trade Facilitation Agreement, and, if required, inform the EXCOM accordingly.

13. Notwithstanding the above, the secretariat delivered significant outputs in the Trade Facilitation Implementation Guide and the Greek Trade Facilitation projects in 2013. These are detailed in Sections III B and III C below.

B. Trade Facilitation Implementation Guide

14. The UNECE *Trade Facilitation Implementation Guide* (TFIG) is an online tool to help countries simplify and harmonize cross-border trade procedures and information flows. It contains details of major trade-facilitation instruments and tools and links to external references and information sources from all key international organizations

involved in trade facilitation. The project is funded by the Swedish Development Cooperation Agency and is implemented by the secretariat with support from UN/CEFACT.

15. During the past year, the UNECE continued to roll out workshops and enhancements to the Guide. TFIG Workshops undertaken in 2013 were:

- Europe – Turin, Italy, 12 to 14 February;
- East Africa – Kigali, Rwanda, 1 to 3 May (jointly organized with UNCTAD);
- Middle East – Aqaba Jordan, 13 to 15 May (jointly organized with UN Economic and Social Commission for Western Asia (ESCWA));
- Central Asia – Bishkek, Kyrgyzstan, 10 to 13 June (jointly organized with UNDP);
- Latin America – Bogotá, Colombia, 23 to 25 September (jointly organized with UNECLAC and Inter American Development Bank ('ADB));
- West Africa – Dakar, Senegal, 7 to 9 October (jointly organized with UNDP);
- World Trade Organization – October (jointly organised with the Commonwealth Secretariat);
- South-East Asia–Bangkok, Thailand, 20 to 23 November (jointly organized with UNESCAP).

16. UNECE also organised an Executive Workshop on the use of the TFIG at the WTO in February 2014, to demonstrate its use to Member States in implementing the WTO Trade Facilitation Agreement. This was attended by approximately 100 participants from over 50 countries and was very well received.

17. The Guide is now available in English, French, Russian and Spanish, and will be available in Arabic by September 2014. The UNECE is very grateful to the Inter-American Development Bank and the International Islamic Trade Finance Corporation for funding the translation into Spanish and Arabic respectively.

18. Since the Guide was first launched at the WTO in November 2012, over 80,000 users have visited the website and accessed its contents.

C. Support for Implementation of the Greek Trade Facilitation Strategy and Roadmap

19. During the past year, the secretariat continued to work with the Greek Government and the European Commission Task Force on Greece (TFGR) to help implement the Greek trade facilitation strategy and Roadmap, developed in 2012 (with the support of the UNECE secretariat). The Roadmap[2] contains 25 strategic reform activities that aim to reduce time to export by 50% and costs by 20% by 2015, thus leading to a 10% increase in the value of exports, a 1.7% increase in GDP and creation of 80,000 new jobs.

20. The main purpose of the UNECE support is to:

- Assist Greek authorities in steering and managing implementation of the overall Roadmap;

[2] http://www.mindev.gov.gr/wp-content/uploads/2012/06/Greece_Trade_Facilitation_Strategy_Roadmap_Oct-2012.pdf .

- Provide managerial support for the implementation of different topics within the Roadmap;
- Provide specialist expertise through the World Customs Organization (WCO) to implement the customs reform activities of the Roadmap.

21. Under an Extra Budgetary project implemented between the European Commission Task Force on Greece, the Greek Government and UNECE, support actions started in early 2013 and major progress has already been achieved in specific areas. The Greek Express Carriers Association recently stated "We have seen more change in the last one and half years than in the 20 years before" and the position of Greece in the World Bank Doing Business Report on trade competitiveness improved 17 ranks in one single year[3].

22. UNECE activities in 2013 included: the provision of support for the establishment and operation of the Trade Facilitation Structure (Operations Steering Committee and its Secretariat) in Greece; the development of an agreed work programme and project plans for the working groups; support to the reform of Greek Customs through collaboration with the World Customs Organization; development of Greek Business Process Analysis; support to the Ministry of Agriculture in establishing Risk Analysis and Authorised Trader programmes; and preliminary work on the design of the Greek Single Window.

23. UNECE is committed to further supporting the project in 2014 and providing substantive input through expertise and advisory services. However, it is noted that supporting this project is extremely resource intensive.

D. Regional advisory services in 2013-2014

24. The Regional Adviser continues to support the project on a "Local Single Window (Port Community System) for the Ports of the Odessa Region". He organized three seminars in Odessa. These resulted in (a) the launch of an operational Single Window (port community system) in the ports of the Odessa region; (b) the establishment of an inter-agency, public-private working group, which has already held 13 meetings, mainly at the headquarters of Ukrainian Customs in Kiev, and its evolution into a national trade facilitation body of Ukraine; (c) a draft national trade facilitation strategy.

25. The Regional Adviser also continued managing a Russian contribution project on trade facilitation and the Single Window for the three countries of the Customs Union: Belarus, Kazakhstan, and the Russian Federation. The deliverables of this project in 2014 are as follows: a conference (Almaty 24-25 April 2014), organized together with the Eurasian Economic Commission (EEC), finalization of the study on the use of international standards (including those of UN/CEFACT); studies on the readiness of the legal systems of the countries for trade facilitation and the Single Window and one or two capacity building activities.

26. A seminar on planning for the Single Window took place in Moscow in November 2013. It was opened and closed by the EEC Commissioner (Minister) V. Goshin, reinforced the political will to work for trade facilitation and the Single Window in the EEC and the Customs Union. A first draft of a long-term strategic action plan for the Single Window was prepared to be sent (after consultations and editing) for endorsement by the Collegium of the EEC.

27. The Regional Adviser organized a third regional South Caucasus conference on trade facilitation in Batumi, Georgia, a meeting of the SPECA Project Working Group on

[3] WB DoingBusines.org http://www.doingbusiness.org/data/exploreeconomies/greece .

Trade and several seminars on the Single Window and trade facilitation in Tajikistan and other transition economies.